



ABSTRACT

This document provides an overview of the proposed 2015 Budget prepared by the department heads of the town.

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Town
Administrator

2015 BUDGET OVERVIEW TOWN OF ALLENSTOWN

Introduction

The Board of Selectmen issued a directive to the department heads and board chairpersons to produce their respective proposed budgets for the 2015 Budget by July 31st, 2014. The directive further stated that department heads must be conservative in preparing their budgets in light of the high tax rate. The budgets were to include a 1.5% Cost of Living Adjustment (COLA) for all employees.

The spreadsheet provides an overview of the budgets submitted. The rates for health and dental insurance for employees will not be available until late October. The ambulance budget will not be available until the end of September or the first week of October. The initial budget proposals included an estimated cost factor as a place marker until the actual numbers are received. The budget for the Sewer Commission is no longer included in the Town budget calculations as that budget is submitted in a separate warrant article.

Executive Summary

The proposed Town budget submitted by the department heads represented a slight decrease in spending under the 2014 approved budget (default budget). The proposal was a decrease of approximately \$15,000. The overall proposed budget is below the default budget calculation by approximately \$116,000.

The only area of significant increase is the legal line. The legal line has been increased to properly represent the true cost of legal services. The default budget left a skewed budget number in the legal expenditure line. The increase represents at **\$30,000** increase from the previous year.

The areas of significant change are as follows:

1. Allenstown is subject to the MS4 storm water permit requirements of the Federal Clean Water Act. The 2010 Census placed portions of Allenstown into the Manchester Urban Area. This subjects the Town to the 2013 MS4 permit requirements administered by the U.S. Environmental Protection Agency. The requirements of this permit require the Town to develop a storm water management plan, a storm water ordinance, mapping of the storm water system, testing of the storm water outflows, detection of illicit discharges into the

storm water system and potentially treatment of the storm water. The cost in 2015 of implementation of this permit is lower than the 2014 budget by **\$6,700**.

2. The largest area of increase is generally in the Personnel line. The anticipated costs for employee health and dental insurance premiums are a major factor. The cost of Health Insurance for 2015 will not be set until the end of October. The Town is part of a group of seven towns that pool their buying power together to obtain lower rates. The Suncook Valley Regional Towns Association recently completed a study and made a list of recommendations to reduce health insurance costs. The Board of Selectmen will decide whether to implement those recommendations during the budget process. Considerable cost savings can be achieved by implementing those recommendations. That being said the rate of increase in cost is still unknown at this point. The worst case scenario would be that the proposed changes result in minimizing the rate of increase. The other major cost increase in this line is due to retirement costs. The increase in costs paid to the NH Retirement System have not been set at this time. When that will happen is unknown. We are projecting the cost increase based upon data provided by the NH Retirement system in 2012. Unfortunately that is the best data that we have at this time. The overall increase in the Personnel line for retirement is projected to be just over **\$32,000**. We may not have the new rate information until well after the budget year has begun.
3. The legal line has been increased to properly represent the true cost of legal services. This represents a **\$30,000** increase from the previous year.
4. The proposed fire department is 15% less than the approved 2014 budget. Reductions in training costs, the payroll line for call firefighters was reduced as well as the cost of supplies. The reductions represent a cost decrease of just over **\$50,000**.
5. The proposed Planning Board budget was reduced by just over **\$6,000**.
6. The Emergency Management budget was reduced by just over **\$29,450**.
7. The Building Inspector budget was increased due to a request to add a part time shared administrative assistant position. **\$2,022**.
8. The elimination of the Animal Control Officer position last year and the continuing policy of not filling the position will result in a budget reduction of just over **\$9,000**. The passage of the default budget resulted in this still being budgeted even though the person filling it was laid off last year.
9. The ambulance budget has not be submitted yet. However we do not anticipate a significant increase in budgetary expenditures in 2015. The new billing company that was hired to collect for the service is far more efficient and producing more revenues than expected.
10. The Town has signed a ten year contract with Casella waste for curbside collection of trash and recyclables. This has resulted in reduced operating costs. The change in service delivery resulted in the layoff of one highway department employee. The first year reduction in cost is approximately **\$37,000**.

Spending Analysis and Estimated Tax Impacts

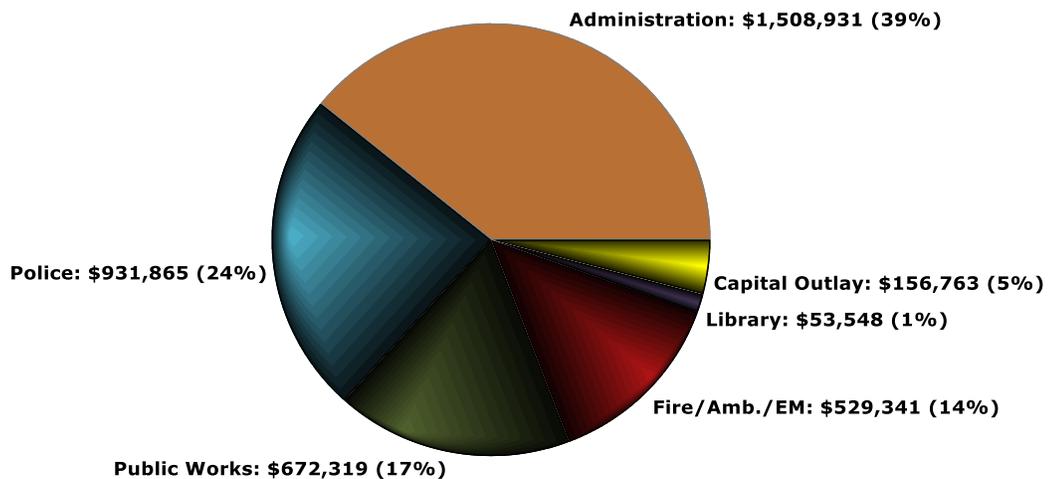
The proposed 2015 Budget recommended by the department heads results in a .38% decrease in spending from 2014. The tax rate for the Town for 2013 is \$10.35. The estimated tax rate impact of the 2014 default budget approved by the voters \$10.93 resulting in an estimated tax rate increase of 5.6%. Again this is estimated based on the data we have today. Other than expenditures the other factors have not been determined with certainty yet. The tax rate will not be set until November.

The revaluation was conducted last year of all of the properties in the town. The assessed value of the Town's properties is approximately \$246,804,083. The updated assessed valuation will not be available for a couple of weeks.

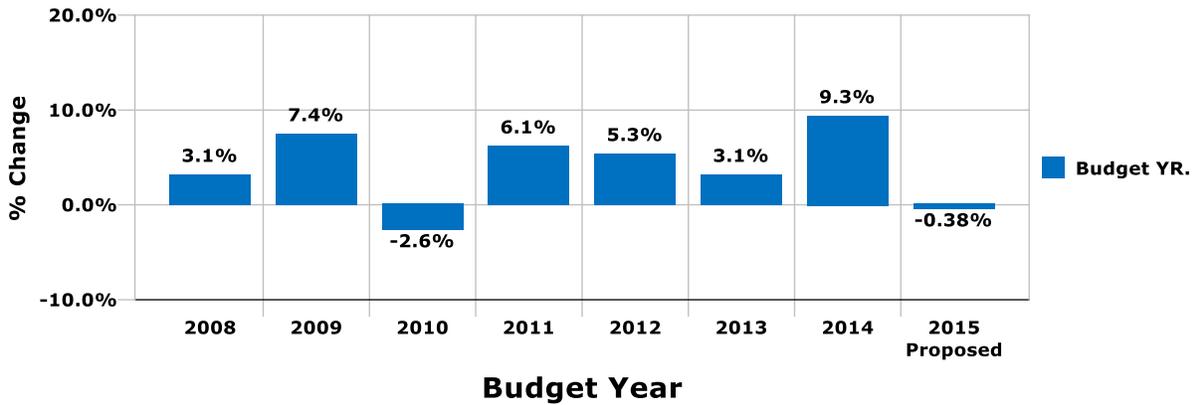
Revenue projections are up by approximately 16% (revenues other than property taxes).

The next several pages include graphs that depict the various facets of the Town's budget, revenues and tax information.

2015 Proposed Appropriations by Function

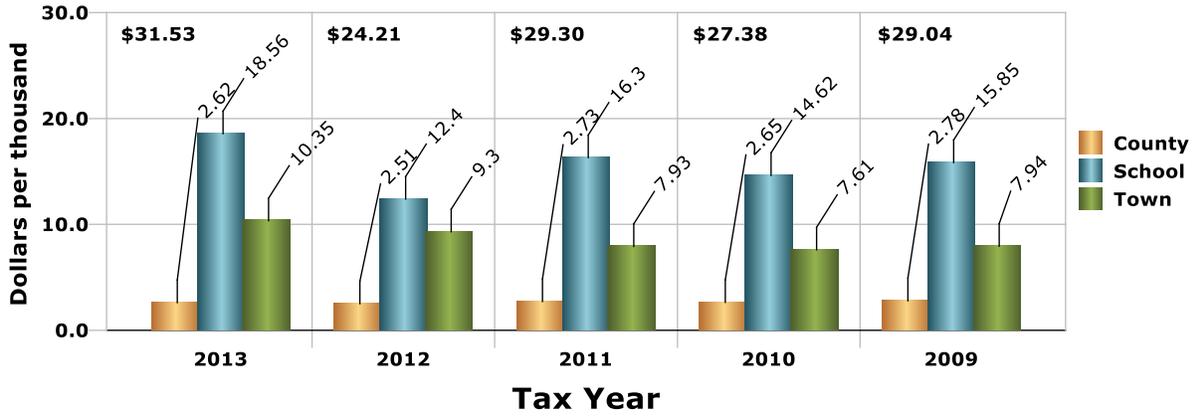


Town Appropriations



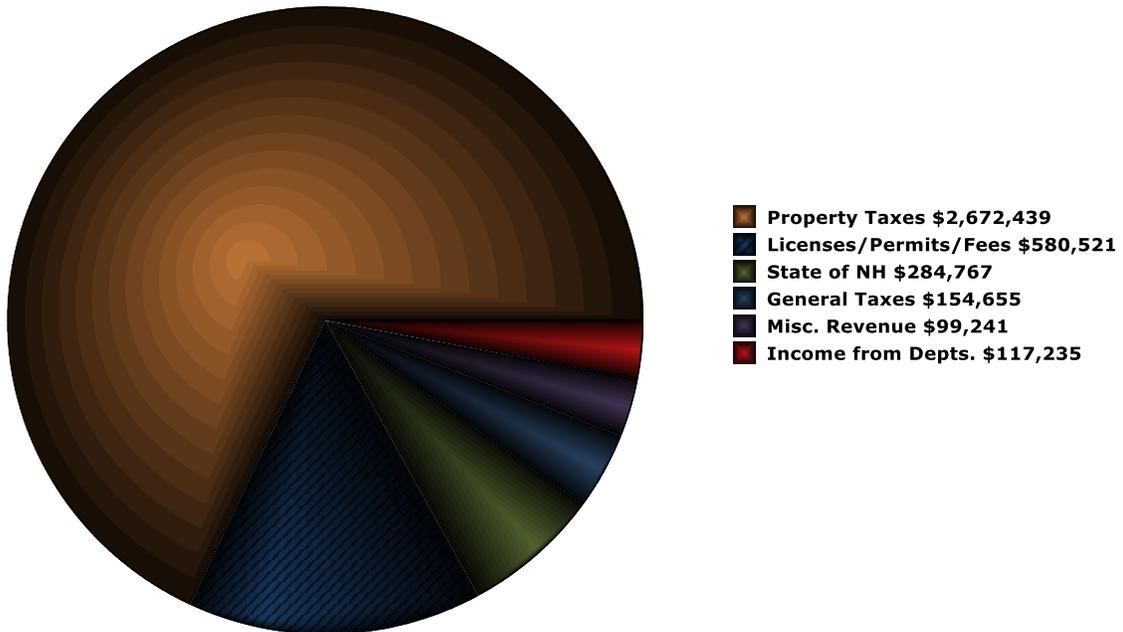
This chart shows the percent change in appropriations from year to year for the town budget excluding the appropriations for the sewer department. The percent change for 2015 is based on the total of the budgets submitted by the department heads as of 7/31/14. The actual amount will be determined at the completion of the budget process

Tax Rate History

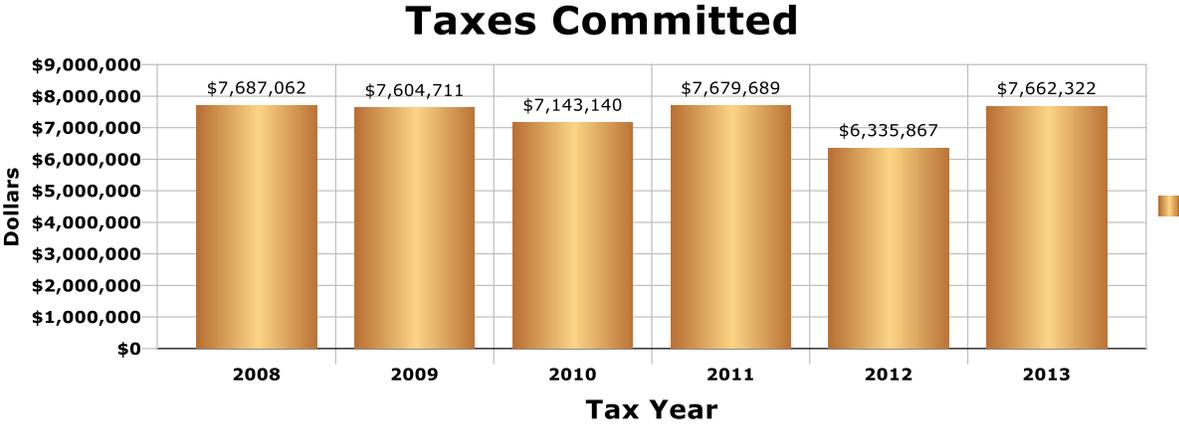


This chart shows the tax rate history in dollars per thousand for each tax year. There are a number of factors that determine the rate. The 2014 tax rate will not be set until sometime in November.

2014 Estimated Revenues



This chart depicts the estimated revenues that were prepared for the 2014 budget. We will not know until the end of the year what the actual amount of revenues were. We will be preparing a revenue projection for 2015 in October.



This chart depicts the actual property tax levy for each year. This amount represents the total amount of taxes levied for the local school, town and county tax needed to meet the appropriations set minus the other anticipated revenues.

This chart shows the amount of taxes for a given tax year and the total amount of taxes owed to the town. As you can see the amount of taxes owed in comparison to the total tax levy is comparatively low.

Taxes Outstanding

